

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION  
HEARING OF MAY 18, 2005**

**REGULAR MEETING**

**9:00 A.M.**

**MAY 18, 2005**

**PRESENT:**

<b>COMMISSIONERS:</b>	<b>Paul Biane, Chairman</b>	<b>Paul J. Luellig, Jr., Alternate</b>
	<b>Bob Colven, Vice Chairman</b>	<b>Mark Nuaimi</b>
	<b>Kimberly Cox</b>	<b>Richard P. Pearson</b>
	<b>James V. Curatalo, Alternate</b>	<b>A. R. "Tony" Sedano, Alternate</b>
	<b>Josie Gonzales, Alternate</b>	<b>Diane Williams</b>
	<b>Dennis Hansberger</b>	

**STAFF:**                   **Kathleen Rollings-McDonald, Executive Officer**  
                              **Clark H. Alsop, Legal Counsel**  
                              **Samuel Martinez, LAFCO Analyst**  
                              **Debby Chamberlin, Clerk to the Commission**

**ABSENT:**

**COMMISSIONERS:**     **None**

**REGULAR SESSION - CALL TO ORDER – 9:05 A.M.**

Chairman Biane calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

**SWEAR IN REGULAR AND ALTERNATE BOARD OF SUPERVISORS MEMBERS OF THE COMMISSION – COMMISSIONERS BIANE AND GONZALES SWORN IN**

Clerk to the Commission Debby Chamberlin administers the Oath of Allegiance to Regular Board of Supervisors Member Paul Biane and Alternate Board of Supervisors Member Josie Gonzales, whose terms of office expire in May, 2009.

**ELECTION OF CHAIRMAN AND VICE CHAIRMAN – COMMISSIONER BIANE ELECTED CHAIRMAN; COMMISSIONER COLVEN ELECTED VICE CHAIRMAN**

Executive Officer Kathleen Rollings-McDonald presents the staff report for the election of the Chairman and Vice Chairman, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald says the terms of office are for one year and that Commission rules indicate that the Chairman and Vice Chairman may serve no more than two consecutive full terms in those offices. She explains that Commissioners Biane and Colven are eligible to serve two full-year terms as they were elected to complete terms due to the loss of former Chairman Bagley.

Ms. McDonald opens the nominations for Chairman. Commissioner Pearson nominates Commissioner Biane, seconded by Commissioner Williams. Ms. McDonald calls for further nominations. There being none, Commissioner Cox moves to close the nominations, seconded by Commissioner Pearson. Ms. McDonald calls for a voice vote on the nomination of Commissioner Biane as Chairman and he is unanimously elected.

Chairman Biane opens the nominations for Vice Chairman. Commissioner Pearson nominates Commissioner Colven, seconded by Commissioner Williams. Chairman Biane calls for further

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nominations. There being none, Commissioner Cox moves to close the nominations, seconded by Commissioner Nuaimi. Chairman Biane calls for any objections to the nomination of Commissioner Colven. There being none, he is unanimously elected Vice Chairman.

**APPROVAL OF MINUTES FOR WORKSHOP SESSION OF MARCH 31, 2005 AND REGULAR MEETING OF APRIL 20, 2005 – MINUTES APPROVED**

Chairman Biane calls for any corrections, additions, or deletions to the minutes. There are none. Commissioner Pearson moves approval of the minutes as presented, seconded by Commissioner Colven. Chairman Biane calls for objections to the motion. There being none, the voice vote is as follows: Ayes: Biane, Colven, Cox, Gonzales, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: Hansberger (Gonzales voting in his stead).

**CONSENT ITEMS**

LAFCO considers the items listed under its consent calendar. Chairman Biane states that the consent calendar consists of: (1) approval of the Executive Officer's expense report; (2) approval of payments as reconciled for the month of April 2005 and noting cash receipts; and (3) two service contracts. A Visa Justification for the Executive Officer's expense report, and staff reports for the reconciled payments and the service contracts, have been prepared and a copy of each is on file in the LAFCO office and is made a part of the record by its reference herein. Consent calendar items have been advertised as required by law through publication in The Sun, a newspaper of general circulation. In addition, LAFCO SC#252 was advertised in the Redlands Daily Facts and LAFCO SC#254 was advertised in the Inland Valley Daily Bulletin, newspapers of general circulation in the respective areas.

The service contract proposals are summarized as:

SC#252 – City of Redlands OSC 05-09 for Water Service

SC#254 – City of Chino Irrevocable Agreement to Annex for Sewer Service

The staff recommendation is that the Commission approve the Executive Officer's expense report and payments as reconciled and take the following actions for the service contracts: (1) make the appropriate environmental determination for each proposal as outlined in the respective reports; (2) approve LAFCO SC#252 authorizing the City of Redlands to extend water service outside its boundaries to APN 0299-112-11; (3) approve LAFCO SC#254 authorizing the City of Chino to extend sewer service outside its boundaries to Tentative Tract 16396 on APNs 1013-501-10 and 1013-511-02; and (4) adopt LAFCO Resolutions Nos. 2875 and 2876 respectively, outlining the Commission's approval.

Chairman Biane asks whether there is anyone present wishing to discuss any of the consent calendar items. There is no one.

Commissioner Colven moves approval of the consent calendar, seconded by Commissioner Pearson. Chairman Biane calls for any objections to the motion. There being none, the voice vote on the motion is as follows: Ayes: Biane, Colven, Cox, Gonzales, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: Hansberger (Gonzales voting in his stead).

Executive Officer Kathleen Rollings-McDonald requests those present who are involved with any of the changes of organization to be considered today by the Commission and have made a contribution of more than \$250 within the past twelve months to any member of the Commission to come forward and state for the record their name, the member to whom the contribution has been made, and the matter of consideration with which they are involved. There are none.

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**CONTINUED ITEMS**

**CONTINUED FROM APRIL 20, 2005 – CONSIDERATION OF (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2945; AND (2) LAFCO 2945 – SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA SL-1 – APPROVE STAFF RECOMMENDATION**

LAFCO conducts a continued public hearing to consider a service review and sphere of influence update for County Service Area SL-1. This hearing is continued from April 20, 2005, and notice of the original hearing date of November 17, 2004, was advertised as required by law through publication in The Sun, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, County departments, and those individuals and agencies requesting mailed notice.

(It is noted that Commissioner Curatalo arrives at 9:12 a.m.)

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald provides the background for this proposal, as outlined in the staff report, stating that it was originally initiated by the Commission on January 15, 2003, with the hearing originally scheduled for November 17, 2004. She discusses the boundaries and sphere of influence for County Service Area SL-1 (hereinafter "the District" or "CSA SL-1"), as shown on the maps on the overhead display and attached to the staff report. She discusses the history of the District, noting that it was formed in 1965 through a consolidation of small existing CSAs that were created for streetlighting services throughout the Valley. She explains that at that time there was a policy between the County and LAFCO that developing tracts in the Valley unincorporated area would annex to the District for service. She says that policy ended in 1987, with the understanding that CSA SL-1 encompassed the entire unincorporated area of the Valley; and she says that while annexations to CSA SL-1 ended, detachments continued.

Ms. McDonald says the County Special Districts Department provided a response to the service review/sphere update survey which included a map outlining the location of CSA SL-1 on the basis of Tax Rate Areas identified within the District by the County Assessor's Office and the State Board of Equalization. She says staff was surprised, as were many others, to see the outline of the areas actually within the District since it was understood that the District overlaid the whole of the unincorporated area of the Valley. She says in November, staff requested a continuance to allow time to work with the Special Districts Department and Southern California Edison Company (SCE) to develop a list of streetlights paid for by the District based on the map of its boundaries. She commends SCE and Special Districts Department staffs and Sam Martinez for their work in identifying the light locations.

(It is noted that Commissioner Hansberger arrives at 9:16 a.m.)

Ms. McDonald discusses the data provided by the review that was completed. She points out that there currently are 4,339 lights paid for by CSA SL-1, 717 of which are not within its boundaries. She notes that the table on page five of the staff report identifies the lights, the entity responsible for them, and the electricity charge for their operation during the period March 2004 through March 2005. She also notes that a number of the lights are within incorporated cities in the Valley and says LAFCO staff contacted those Cities to notify them of the problem and outline a process to rectify it through the transfer of responsibility through SCE. Ms. McDonald says the staff report also outlines a number of lights that are currently being paid for by other entities that are the responsibility of CSA SL-1. She says letters have been sent to those Cities and that the Special Districts Department is following up to be sure paperwork is processed to transfer that responsibility, as well as to transfer responsibility for lights that have been identified for CSA 70 R-41, CSA 70 EV-1 and CSA SL-2.

Ms. McDonald says there is still a problem with how to reconcile the responsibility for the remaining 244 lights being paid for by CSA SL-1, for which there are no other entities available to assume responsibility, such as the Kaiser Center in west Fontana and the communities of Mentone, Devore and portions of Bloomington. She explains that options have been reviewed with County staff, such as turning off the 244 lights, creating improvement zones of CSA 70 for each area, or annexation of the balance of the

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sphere of influence of CSA SL-1, which would give the District the ability to pay for the 244 lights. She reports that LAFCO staff is recommending that the County initiate annexation of CSA SL-1's sphere within the Valley area. She says the staff recommendation is listed on pages one and two of the staff report and includes that the Commission: (1) determine that LAFCO 2945 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption within five days; (2) make findings related to a service review required by Government Code Section 56430 and determine that the sphere of influence for CSA SL-1 should be affirmed, with recommended procedures providing for an official transfer of lights currently funded by CSA SL-1 outside its boundaries; the transfer of responsibility for lights appropriately the responsibility of CSA SL-1, which are currently funded by Cities; a process to be followed by LAFCO to address the transfer of streetlight responsibilities in future LAFCO actions annexing territory to a city or special district providing streetlighting services; a request that the County Board of Supervisors initiate the annexation of the balance of the District's sphere; and a request that the County Land Use Services and Special Districts Departments adopt a process to assure that the appropriate streetlighting entity exists at the time the streetlight installation is required through the land use development process; and (3) adopt LAFCO Resolution No. 2877 setting forth the Commission's findings and determinations on this issue.

Ms. McDonald says it has also been discussed that the County consider transferring a small portion of property tax revenue to CSA SL-1 to help pay for the lights in the future, but she reports there has been no official response received from the County. Ms. McDonald notes that the District has two areas of responsibility outside the Valley area—in the Lenwood community in the City of Barstow's sphere and an approximate one-half mile area of mountain highway near the south shore of Lake Arrowhead. She says that staff requests that the issue of the Lenwood community be addressed as part of the North County service reviews and that the mountain area be considered as part of the Mountain service reviews.

Commissioner Hansberger asks whether there have been any discussions about the impact of the County's "dark skies" ordinance with respect to reducing the number of required streetlights. Ms. McDonald responds that is part of the land use process and says staff addressed the issue based upon improvement levels of the current County General Plan. She points out that ordinance relates mostly to the mountains and north desert areas which have different standards for requiring streetlights than the Valley, which she says has the most intense requirements. Commissioner Hansberger discusses that he lived in a development in Yucaipa that did not have streetlights, but he says the developer put in a light on every lot and wired it back to the house with a switch. He says homeowners paid for the light on their electric bill and, if they did not want to use the light, they just kept the switch off. He says he thinks there are areas where that could be a good solution; that there are alternatives that have not been adequately explored; but that is not LAFCO's job. Ms. McDonald responds that LAFCO's concern is making sure that there is a mechanism in place for paying for lights that are put in. She points out that the County has a policy that requires developers to provide a deposit of three years of the anticipated electric charge and she says that once those funds are exhausted, they become the responsibility of the appropriate streetlighting entity.

Commissioner Luellig discusses that in the City of Barstow, about 90% of the citizens get their streetlights for free because they live in areas that existed before special assessment districts were created with development to pay for lights. He says that leaves about 10% of the citizens paying for lights, which is a severe inequity. He says that in Barstow they do not collect the tax any more on new special districts but take it out of the general fund. He says those types of inequities exist throughout the County.

Commissioner Gonzales discusses her concerns that the Commission needs to be sure that efforts are being taken to assure that any new streetlights are energy efficient. Ms. McDonald responds that the Special Districts Department can respond about what is being done to ensure efficiency as lights are put in. However, she says staff's concern is that even if the lights are energy efficient, the new developments in Mentone, west Fontana, and portions of the Bloomington and unincorporated Colton areas are not part of CSA SL-1 to pay for the lights. Commissioner Luellig points out that in Barstow, there is a flat fee charged by SCE for a streetlight, whether it is energy-efficient, operational, or broken. He says if more efficient lighting is to be put in, there must be negotiations with SCE to reduce the fee for all streetlights.

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In response to inquiry of Commissioner Nuaimi, Ms. McDonald provides clarification regarding the \$40,464 reduction in costs that the District will receive with the transfer of responsibility of lights not appropriately paid by CSA SL-1.

Chairman Biane asks whether staff's recommendation for reconciling the responsibility for the lights that our outside the boundaries of CSA SL-1 will be a cleanup item for the Board of Supervisors.

Ms. McDonald responds that staff hopes to work with Special Districts Department staff to wrap things up into one proposal that will clean up all the District's problems. She notes that another concern of staff is the funding reduction that will continue for CSA SL-1 and she says the issue of funding for the District needs to be resolved so that it will be solvent into the future.

Commissioner Curatalo asks about repayment of the money for those 244 lights outside the boundaries of CSA SL-1. Ms. McDonald responds that SCE has a policy that it can go back three years and request repayment; but she says that is a question for the County as it pursues the transition to clean up the transfer of lights.

Chairman Biane opens the public hearing and asks if there is anyone wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Nuaimi moves approval of staff recommendation, seconded by Commissioner Williams. Chairman Biane calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Biane, Colven, Cox, Hansberger, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: None.

**CONTINUED FROM FEBRUARY 16, 2005 – CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2977; AND (2) LAFCO 2977 – REORGANIZATION TO INCLUDE COUNTY SERVICE AREA 120 FORMATION AND DISSOLUTION OF COUNTY SERVICE AREA 70 IMPROVEMENT ZONES OS-1 AND OS-3 (NORTH ETIWANDA AREA) – TAKE OFF CALENDAR**

LAFCO conducts a continued public hearing to consider a proposal to form County Service Area 120 for the provision of open space and habitat preservation services. This hearing is continued from February 16, 2005, and notice of that original hearing date was advertised as required by law through publication in The Sun and the Inland Valley Daily Bulletin, newspapers of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, County departments and those agencies and individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald reports that staff is continuing to work with the Special Districts Department staff and others to complete this review and prepare the necessary documents to bring this matter to the Commission for consideration. She says a minor expansion of the proposal to address additional territory is necessary, requiring a modified map and legal description and readvertisement of the item. She says that rather than continuing the hearing month-to-month, the staff recommendation is that the Commission take LAFCO 2977 off calendar and direct staff to return with the item for Commission consideration as soon as possible.

Chairman Biane asks if there is anyone present wishing to discuss this item. There is no one.

Commissioner Pearson moves approval of staff recommendation, seconded by Commissioner Colven. Chairman Biane calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Biane, Colven, Cox, Hansberger, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: None.

**DISCUSSION ITEMS**

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**CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR FEE SCHEDULE REVISIONS;  
AND (2) REVIEW AND ADOPTION OF FILING FEE SCHEDULE FOR FISCAL YEAR 2005-06 –  
APPROVE STAFF RECOMMENDATION**

LAFCO conducts a public hearing to review and adopt the Schedule of Fees and Charges for Fiscal Year 2005-06. Notice of this hearing has been advertised as required by law through publication in The Sun, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, County departments, Cities and Towns, Independent Special Districts, the County and those individuals and agencies requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonalds states that following the April hearing, staff forwarded a copy of the proposed Fee Schedule to each of the Cities and Towns, Independent Special Districts, and to the County Administrative Office. She reports that no comments of concern or support were received. Ms. McDonald says the staff recommendation is that the Commission: (1) certify that the proposed revisions to the Schedule of Fees and Charges are statutorily exempt from the provisions of the California Environmental Quality Act and instruct the Clerk to file a Notice of Exemption within five working days; (2) adopt the Schedule of Fees and Charges, as presented, effective June 1, 2005; and (3) adopt LAFCO Resolution No. 2878 reflecting the Commission's determinations.

Regarding the deposits to be charged for totally and substantially surrounded island annexations, Commissioner Pearson asks whether the percentage an island is surrounded will be determined by the County Surveyor. Ms. McDonald responds that a policy has been established for the deposits for the submission of island annexations. She says the deposit for substantially surrounded islands has been set higher because the County Surveyor will need to review those maps and legal descriptions and make an official determination on the percentage, and that the Surveyor will charge LAFCO for that process. She says the Surveyor will provide the information to the Executive Officer and, as the policy indicates, she will make the last call on the issue of substantially surrounded.

Chairman Biane opens the public hearing and asks if there is anyone wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Pearson moves approval of staff recommendation, seconded by Commissioner Colven. Chairman Biane calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Biane, Colven, Cox, Hansberger, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: None.

**REVIEW AND ADOPTION OF FINAL BUDGET FOR FISCAL YEAR 2005-06 – APPROVE STAFF  
RECOMMENDATION**

LAFCO conducts a public hearing to review and adopt the Final Budget for Fiscal Year 2005-06. Notice of this hearing has been advertised as required by law through publication in The Sun, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, County departments, Cities and Towns, Independent Special Districts, the County and those individuals and agencies requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonalds states that in April the Commission approved a 2.5% cost-of-living increase for LAFCO employees, a contract for the audit of the financial records of the office by Moreland and Associates, the agreement for support from the County Information Services Department related to computer and website operations and digitized mapping, and the purchase of new computer equipment. She says that following the April hearing, staff submitted the Proposed Budget to all Cities and Towns, Independent Special Districts and the County

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Administrative Office for review and comment. She reports that a couple of questions were received regarding line items but that no concerns have been expressed.

Ms. McDonald says that also included in the Budget consideration is a request that the Commission consider a modification to its policy regarding disclosure and consideration of conflict issues for LAFCO's Legal Counsel. She explains that in 2000, Policy #34 was modified so that in every instance where Legal Counsel Clark Alsop's law firm represents other public agencies, an item must come before the Commission in a noticed hearing to review whether the Commission will waive his conflict. She says staff is requesting a return to the 1996 policy, which has been expanded and clarified so that in every instance where there is a potential for conflict for Mr. Alsop's firm of Best Best & Krieger through representation of other public entities, that will be reviewed by LAFCO Counsel and the Executive Officer, who will make certain determinations. She says that if there is no controversy identified, the Executive Officer will be authorized to waive the conflict. She says the Executive Officer will notify the Commissioners of his/her proposed decision; and, if no objection is received from any Commissioner, the waiver will be approved. She says if there is any controversy or concern expressed from any Commissioner regarding a waiver, it will not be granted and the request to contract with Special Legal Counsel will be placed on an agenda for Commission consideration. She says this will streamline the process and will be more cost effective for applicants who must pay the Special Counsel costs.

Counsel Alsop says this policy has specifically been structured to deal only with public agencies since it was felt that conflict issues with private people should be addressed by the Commission individually.

Chairman Biane asks how the Commissioners will be notified of a potential waiver. Ms. McDonald says they will receive a letter asking them to notify the Executive Officer if they have any concerns regarding the proposed waiver. She says if concern is expressed, consideration of Special Counsel will be placed on an agenda.

Commissioner Curatalo asks why the policy was changed in 2000. Ms. McDonald responds that a prior member of the Commission was not comfortable with the old policy and wanted the Commission to review each potential conflict and make an official determination at a noticed hearing. She notes that the current policy is not only more costly, but it is a more difficult and time consuming process.

Ms. McDonald reports that there are no changes to the Budget as presented in April and says the staff recommendation is that the Commission: (1) adopt the Fiscal Year 2005-06 Final Budget as presented; (2) adopt an amended policy and procedure related to Disclosure and Waiver of LAFCO Legal Counsel conflict issues as outlined and authorize the signing the Public Agency Conflict Letter as presented; and (3) direct the Executive Officer to submit to the County Auditor/Controller-Recorder the adopted Final Budget and request apportionment of the Commission's net costs to the County, Cities and Independent Special Districts pursuant to the provisions of Government Code Section 56381.

Chairman Biane asks if there is room in the budget to look at replacing the Commissioner's chairs. Ms. McDonald says staff will look into that. She notes that some time ago, staff talked to County personnel about replacing them but they were hesitant to include that cost in the capital improvement budget.

Chairman Biane opens the hearing and asks if there is anyone wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Colven moves approval of staff recommendation, seconded by Commissioner Nuaimi. Chairman Biane calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Biane, Colven, Cox, Hansberger, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: None.

**CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2974; AND (2) LAFCO 2974 – COUNTY SERVICE AREA 110 DISSOLUTION – APPROVE STAFF RECOMMENDATION**

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LAFCO conducts a public hearing to consider the dissolution of County Service Area 110 (hereinafter referred to as "CSA 110" or "the District"), initiated by the Commission following completion of the service review for the District in September 2004. Notice of this hearing has been advertised as required by law through publication of eighth-page legal ads in The Sun, a newspaper of general circulation in the area, and the Redlands Daily Facts, a local newspaper. Individual notice of this hearing was provided to affected and interested agencies, County departments and those agencies and individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald shows a map of the District on the overhead display, pointing out that it includes unincorporated County area and areas within the Cities of Redlands and Loma Linda. She discusses the background of this proposal, as outlined in the staff report, and says CSA 110 was formed in 1984 as a mechanism to fund the study of the East Valley Corridor Specific Plan. She says that Plan was funded and adopted in 1989 and that the District has had no purpose since the completion of that Plan. She reports that the District was authorized powers to provide the services of planning, water, sewer, roads, streetlights, parkway facilities and services, fire protection and soil conservation, with the intent being that in the future, the District could manage or plan for infrastructure improvements in the overall area. She says the Cities consented to the overlay of the District within their boundaries, with stipulations that included that the operation of CSA 110 would be managed by the County, with consultation of a nine-member advisory body, and that the District must receive consent from the appropriate City to install or operate facilities within their corporate boundaries. She reports that from 1989 through 2004, the District was a means of accruing the receipt of unpaid assessments.

Ms. McDonald says the Commission considered the service review and sphere update for CSA 110 on September 15, 2004, and initiated dissolution, making the required findings of Government Code Section 56375(a). She says staff developed all the required forms and prepared the Plan for Service in order to commence the dissolution. She says the dissolution will have no direct effect on existing entities within its boundaries. She says the District currently has \$74,469 in the County Treasury, which was transferred to a "Water Allocation Development Trust Account". As a condition of approval, she says staff is proposing that these revenues be transferred to County Service Area 70 EV-1 for its use in providing its services. She says the staff report lists the services the District is authorized and the entity that currently provides the service. She states that the Commission is the CEQA Lead Agency on this proposal and that its Environmental Consultant, Tom Dodson & Associates, has indicated that this proposal is statutorily exempt from environmental review. She reports that there are in excess of 1600 voters inside the area to be dissolved and that the list of overlaying agencies is in the staff report. She says the findings required by Commission policy and State law are outlined in the staff report and are made a part of the record by their reference here in.

Ms. McDonald says the staff recommendation is that the Commission: (1) determine that LAFCO 2974 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption within five working days; (2) approve LAFCO 2974, subject to the terms and conditions outlined in the staff report, omitting the standard condition for legal defense responsibility since the Commission is the applicant; and (3) adopt LAFCO Resolution No. 2879 setting forth the Commission's findings and determinations concerning this proposal.

Commissioner Hansberger says he is surprised there are not a lot more voters since there are a lot of apartments within the area. He says apparently many of the people living there are not registered to vote.

Chairman Biane opens the public hearing and asks if there is anyone wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Hansberger moves approval of staff recommendation, seconded by Commissioner Nuaimi. Chairman Biane calls for any objections to the motion. There being none, the voice vote is as



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follows: Ayes: Biane, Colven, Cox, Hansberger, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: None.

**CONSIDERATION OF WAIVER OF LEGAL COUNSEL CONFLICT FOR LAFCO 2984 – CITY OF FONTANA ANNEXATION NO. 158 – APPROVE STAFF RECOMMENDATION**

LAFCO considers authorizing the Chairman to sign a waiver of conflict consent letter for LAFCO 2984 - City of Fontana Annexation No. 158. Notice of this consideration has been advertised as required by law through publication in The Sun, a newspaper of general circulation. Individual notice of this item was provided to affected and interested agencies, County departments and those agencies and individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office. Ms. McDonald shows the proposed annexation area on a map on the overhead display. She states that LAFCO Legal Counsel Clark Alsop is a partner in the law firm of Best Best & Krieger, which also acts as City Attorney for the City of Fontana. She says there is no known controversy with this application and that the staff recommendation is that the Commission authorize Chairman Biane to sign the waiver of conflict consent letter authorizing Mr. Alsop to represent the Commission.

Chairman Biane asks if there is anyone present wishing to speak on this item. There is no one.

Commissioner Colven moves approval of staff recommendation, seconded by Commissioner Williams. Chairman Biane calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Biane, Colven, Cox, Hansberger, Nuaimi, Pearson, Williams. Noes: None. Abstain: None. Absent: None.

**PENDING LEGISLATION**

Ms. McDonald states the Commissioners have been presented this morning with a new legislative report since the one they received in their agenda packages only had the odd-numbered pages. She says the legislative report includes a copy of the CALAFCO Legislative Committee Report, as well as a copy of AB 1596. She says that legislation, which is under review, would exempt the Yucaipa Valley Water District from the current ERAF shift to assist it in upgrading its sewage treatment plant.

**EXECUTIVE OFFICER'S ORAL REPORT**

Ms. McDonald states that the Commissioners have been presented this morning with a letter from the San Bernardino Valley Water Conservation District asking that the consideration of its service review/sphere update be continued to the August hearing. She says staff has sent a letter to the District requesting a number of items and she asks that the Commission approve the continuance. With approval of that continuance, Ms. McDonald says the June hearing will be cancelled since the only item ready for consideration in June was this service review.

Commissioner Biane asks if there are any objections to continuing LAFCO 2919 to August 17. There are none.

Ms. McDonald says the Commissioners have received this morning a copy of a Notice of Intent to Commence Lawsuit from Attorney Craig Sherman, filed on behalf of the Spirit of the Sage and says staff is awaiting receipt of the lawsuit. She says per Commission policy, the City of Rancho Cucamonga was contacted to advise them they have the ability to have their legal counsel represent the Commission or pay for Special Legal Counsel. She says that she has not heard back yet from the City.

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Ms. McDonald says the Commissioners received a written Executive Officer's report in their agenda packages. She says the report included a letter from Commissioner Sedano requesting support from the Commission for his nomination to the Special District Risk Management Authority (SDRMA) Board of Directors. She says that if the Commission supports his nomination, she requests that the appropriate resolution be adopted today, since there will be no June hearing; and the nomination documents must be submitted to SDRMA prior to July 8.

Chairman Biane moves to adopt a resolution nominating Commissioner Sedano as a candidate for the election to the Board of Directors of SDRMA, seconded by Commissioner Pearson.

Commissioner Sedano thanks the Commission for its support. He says he would like to attend the SDRMA conference in the fall so he can be present for the results of the election. He says if he is elected to the Board, he could then participate in the first Board meeting. He says he will need Commission approval to attend that conference, which he believes will be in September, and asks if the motion could be amended to include that approval. Ms. McDonald says the Commission would need to indicate that it authorizes the payment of Commissioner Sedano's expenses to attend the conference.

Commissioner Cox points out that the staff report indicated that this item would be placed on the June agenda and asks whether the Commission needs to take some action today since there will be no June meeting. Ms. McDonald responds that the resolution must be adopted and submitted to SDRMA prior to July 8 or Commissioner Sedano cannot participate in the election. Commissioner Luellig points out that taking an action today will require that the Commission first take an action to add this item as an urgency item.

Chairman Biane moves to add the adoption of a resolution nominating Commissioner Sedano as a candidate for the election to the Board of Directors of SDRMA as an urgency item, seconded by Commissioner Pearson. Chairman Biane calls for any objections to the motion. There are none and it is unanimously approved. Chairman Biane moves to amend his original motion adopting the resolution to include authorizing the payment of Commissioner Sedano's travel expenses for attending the conference. Commissioner Pearson, who seconded the original motion, indicates he agrees with the amended motion. Chairman Biane calls for any objections to the amended motion. There being none, it is unanimously approved.

Ms. McDonald says the second item in the written Executive Officer's report is a request received from the Auditor's Office related to the Parker Dam Park and Recreation District. She states that the District has not taken its property tax allocation for a number of years, has not paid its required \$5 per year for its share of LAFCO's costs, and that letters to the District are returned as undeliverable. She says staff is requesting direction that it return with an item, possibly on the July agenda, for the Commission to initiate dissolution of this District. She says the District apparently has no board, office or bank accounts and no longer exists. Commissioner Hansberger notes that the County acquired the old housing for the construction of the Dam some years ago and owned the little village there. Ms. McDonald responds that she believes the County transferred that to the Metropolitan Water District since it was used to monitor the discharges and releases from the Dam. She says staff will find out that information.

Ms. McDonald reports that on the July 20 agenda will be the dissolution of the Monte Vista Fire Protection District, annexation to the City of Chino of the Walnut Avenue Island, and Annexation No. 158 to the City of Fontana. She reports that since the last Commission hearing, staff has taken in six more applications for consideration, including three annexations to the City of Redlands, a sphere review for and annexation to Crestline-Lake Arrowhead Water Agency and the City of Victorville's request for the consolidation of the Victor Valley Water District and Baldy Mesa Water District and the establishment of the successor district as a subsidiary district of the City of Victorville.

She reports that staff anticipates receiving the County Fire Reorganization in early June and hopes to be able to schedule a service review/sphere of influence update meeting for the North County area the first part of June. She reports that she will be on vacation starting June 27, returning July 5. In response to Commissioner Sedano's inquiry regarding hiring an Analyst, Ms. McDonald states that two people have

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made the first round of screenings; that three others will have telephone screening conducted by Alcock and McFadden; and that actual interviews will then be scheduled with the successful applicants.

**COMMISSIONER COMMENTS**

Commissioner Sedano thanks the Commission again for its support in his seeking election to the SDRMA Board of Directors. He says that organization is very close to his heart. He points out that he was one of the founding directors of that organization which he says started out "on a shoestring" but is millions of dollars strong today.

Commissioner Nuaimi thanks Chairman Biane and Ms. McDonald for attending the first future annexation area outreach session in Fontana. He says the City is still waiting for a determination as to whether that area will qualify as an island annexation. He reports that overall, it was a well-received presentation. Chairman Biane comments that he was surprised because he was expecting there to be more objections from the community.

Commissioner Cox thanks staff for the minutes that are provided for each meeting. She says they are exceptional and embody the work the Commission has done in each meeting. Commissioner Cox continues that she wished to acknowledge the fine job that Commissioner Colven did during Chairman Biane's absence at the March hearing. She says it was a very well-run meeting.

**COMMENTS FROM THE PUBLIC**

Chairman Biane calls for comments from the public. There are none.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING IS  
ADJOURNED AT 10:12 A.M., ON MOTION BY COMMISSIONER WILLIAMS, SECONDED BY  
COMMISSIONER NUAIMI**

**ATTEST:**

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**DEBBY CHAMBERLIN**  
Clerk to the Commission

**LOCAL AGENCY FORMATION COMMISSION**

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**PAUL BIANE, Chairman**